Based on the Refinery Transfer Price as on 1.12.2008, the projected under-recoveries of the OMCs for the year 2008-09 are Rs.1,10,381 crore.

(b) The details of under-recoveries made by the OMCs during the last three years, company-wise and product-wise are given below.

Company wise under-recoveries (Rs. Crore)

OMCs	2005-06	2006-07	2007-08
IOC	23,153	28,579	42,970
BPC	8,557	10,746	17,923
HPC	8,290	10,062	16,230
TOTAL	40,000	49,387	77,123

Product wise under-recoveries (Rs. Crore)

Under-recovery	2005-06	2006-07	2007-08
PDS Kerosene	14,384	17,883	19,102
Domestic LPG	10,246	10,701	15,523
Petrol	2,723	2,027	7,332
Diesel	12,647	18,776	35,166
TOTAL	40,000	49,387	77,123

(c) Under-recoveries are computed as per the approved pricing methodology based on the recommendations of the Committee on Pricing and Taxation of Petroleum Products formed under the Chairmanship of Dr. C. Rangarajan, on Trade Parity for Petrol and Diesel and Import Parity for Kerosene and LPG. The difference between the price based on Trade/Import Parity and actual selling prices (excluding taxes) represents the under-recovery.

Setting up ethanol project in Brazil

2452. SHRI VIJAY JAWAHARLAL DARDA:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Public Sector Oil Marketing Companies are investing 600 Million dollar in Brazil to set up an ethanol project with a manufacturing capacity of 500 million litres;

(b) if so, whether the entire ethanol production in Brazil would be primarily meant for their domestic market or India would also get sizeable quantity to tide over our constantly increasing demand for fuel; and

(c) the annual domestic production of ethanol in our country and the estimated consumption during 2008-09?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Oil Marketing Companies (OMCs) have explored the possibilities of acquiring sugarcane acreage and putting up ethanol manufacturing units in Brazil. Feasibility study for ethanol operations in Brazil was conducted. The project was found feasible and strategic for Indian Oil Industry. However, in view of economic slow down and resource crunch, Oil Industry Public Sector Undertakings (PSUs) Marketing Companies are not contemplating any investment in Brazil to set up an ethanol project at present.

(c) The production of alcohol in respect of 10 major producing States *viz.* Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and Uttaranchal is as under:

Year	Production (crore liters)
2004-05	113.1
2005-06	157.5
2006-07	239.3

The estimated surplus quantity of alcohol after setting aside for industrial and potable use, which could be made available for ethanol blended petrol programme is 82.3 crore liters during 2008-09.

Curtailment of supply by oil companies

2453. SHRI DARA SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indian economy is reeling under raining crude blows and our oil companies have reportedly started curtailing supplies;

(b) the Navratana Oil Companies which have reportedly written to Government that they will slip into red in 2008-09, if the present crude surge continues for more than three months because they fear that their combined losses would be more than Rs. 2,00,000 crore this year alone; and

(c) if so, by when Government expects oil prices to come down so as to bring turn around in crippling finances of India's Oil companies?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) The Public Sector Oil Marketing Companies (OMCs), namely, Indian Oil Corporation (IOC), Bharat Petroleum Corporation (BPC) and Hindustan Petroleum Corporation (HPC) have informed that they have not curtailed the supplies of the four sensitive petroleum products, *i.e.* Petrol, Diesel, PDS Kerosene Oil and Domestic LPG.